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CENTRAL INTELLIGENCE AGENCY

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1. Prior to mid-June 1951, the Chinese Communists and the Soviet Union negotiated a secret agreement that, in return for US \$300,000,000 loaned to the Chinese Communists by the USSR, the mining of all raw materials on Chinese territory would be operated with the cooperation of Soviet personnel.

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2. In about mid-June 1951, the Soviets were operating mines in Honan, Hupai, Kiangsi, Kwangtung, and Kwangsi Provinces. The Industry Department of the Central and South China Military and Administrative District has sent men to accompany Soviet experts in their surveys, and the following new tungsten ore deposits have been discovered in eastern Kwangtung in these areas: Huiyang Hsien (114-26, 23-05), Polo Hsien (114-17, 23-09), Hoyuan Hsien (114-48, 23-42), and Tzuchin Hsien (115-14, 23-37). The richest deposits in the Huiyang Hsien area were found to be To Chu (何祝), T'an Kung Hsiang (譚公鄉), Liang Pin Hsiang (梁濱鄉), T'ai O Hsiang (太陂鄉), Mai Li Tun (埋里墩), Kuan Yin Shan (觀音山), Mao Tzu Feng (帽子峰), Jen Shan (鐵山), and Hu Pai Shu (虎柏樹).

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3. Hainan's iron, Ymfou Hsien's (112-04, 22-56) tin, and the tungsten deposits in eastern Kwangtung, northern Kwangtung, and Nan P'eng Tao (南朋島) are considered rich and have been operated according to plan since February 1951.

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4. Private mining companies have all been taken over by the Kwangtung office of the Central-South Colored Minerals Administration Bureau, and nationalized. Since Yangchiang Hsien (111-53, 21-52) and Emp'ing Hsien (112-19, 22-12) of central Kwangtung are rich in tungsten deposits, the Communists began to operate the mines last year. On 28 April 1951, in order to increase the output, high-ranking officials in the Industry Department of the Central and South China Military and Administrative District accompanied Soviet adviser I-Shan-T'a-Fu-Chieh-Fu-Yu-Pai (伊爾哈木傑佈域白), together with 14 technicians and 10 sets of drilling machines, from Hankow to Emp'ing Hsien in an attempt to start large-scale operations. In Emp'ing Hsien there are several

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thousand hunger-stricken people digging tungsten. The Communists have established purchasing agencies in various places and have improved miners' techniques; 40,000 tons of colored minerals, reportedly, have already been collected and shipped to Canton to be transported north to the USSR.

5. The location of other mines in Kwangtung is as follows:

- a. Eastern Kwangtung: There is tungsten at Tan Jen Shan (担砵山) in Haifeng (115-20, 22-58); Nan Yi Yen (南嶺嶺) in Lufeng Hsien (115-38, 22-58); Ta Te T'ui (大德嶺); Chieh Shih Feng (碣石峯); Hsingning Hsien (115-49, 24-04); Wuhua Hsien (115-41, 24-02); Mei Hsien (116-13, 24-18); Chiaoling Hsien (116-10, 24-42); Ch'aochou Hsien (116-37, 23-42); Chieh yang Hsien (116-20, 23-32); P'uning Hsien (116-13, 23-27); and Hsi Hui (西匯).
  - b. Western Kwangtung: Tungsten, bismuth, tin, gold, aluminum, iron, and coal were found in Yunfou Hsien. Ta Kan Shan (大坑山) and Shih T'ien (石田) are both rich in tungsten.
  - c. Northern Kwangtung: There are rich tungsten deposits at P'ei Shih (倍峙) in Shaokuan Hsien (113-33, 24-50); Shihhsing Hsien (114-03, 25-02); Shih Ku Shan (石姑山); Shih Le Chang (石嶺嶺); Lo K'uang (羅礦); Ch'ing Hsia (青霞); Nan Kuan (南關); Wu Yuan (五原); Wengyuan Hsien (113-48, 24-30); Yangchiang Hsien (111-53, 21-52); Maoming Hsien (110-53, 21-45); Hua Hsien (110-39, 21-31); T'ai-shan Hsien (112-48, 22-15); Hsinhui Hsien (113-05, 22-34); Ch'ihch'i Hsien (112-59, 21-59); Ch'uan Hsien (穿縣); Wu Kuei Shan (烏魁山) in Chungshan Hsien (113-36, 22-22); Pai Shih Lu Shan (白石嶺山); Ch'ien Ching Shan (乾龍山); and Ta Feng Shan (大鳳山) in Shunde Hsien (113-16, 22-50). The tungsten in Nan P'eng Tao is the best in quality. Gold is yielded at Pai Li Shan (白嶺山) in Enp'ing Hsien.
6. Due to the need of tin, the Soviet Union and the Chinese Communists have speeded up exploiting tin mines in Yunnan under the direction of Soviet technicians. At present, production of tin is reported to exceed previous output by 200%. This tin is used in the north for military industries.
7. To procure engineering technicians, this Kwangsi branch of the Chinese Communist Colored Metal Administration Bureau is operating a Colored Metal Cadre School in Kweilin. On 17 June, the school-opening ceremony was held at Kwangsi University with CHU Wen-ch'eng (朱文成), president, CHENG Chien-wang (鄭建華), head of the department of science, and LI Chieh (李杰), chief of the metallurgical section. Approximately 10 professors and 200 students attended.

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